

**The original documents are located in Box 118, folder “Employment” of the Ron Nessen Papers at the Gerald R. Ford Presidential Library.**

### **Copyright Notice**

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Ron Nessen donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

October 2, 1974

SUBJECT:

ESCH PROPOSES \$9 BILLION  
PUBLIC SERVICE EMPLOYMENT BILL

Congressman Esch of Michigan has proposed a \$9 billion bill to fund public service employment jobs. What is the President's position on Esch's proposal?

GUIDANCE: The President is giving consideration to various ways of handling an increase in unemployment, if that should occur. One of the possibilities is public service employment; and of course, Congressman Esch's legislation would be considered.

FYI: Congressman Esch is involved in a very difficult race in Michigan, so we don't want to do or say anything that would hurt him. END FYI.

December 3, 1974

SUBJECT:

NATIONAL EMPLOYMENT  
ASSISTANCE ACT

According to the President in his press conference last night, he said that in anticipating rising unemployment, two months ago he asked for a National Employment Assistance Act to provide useful work for those who had exhausted their unemployment and others not previously covered.

How many jobs and what is the cost of the National Employment Assistance Act?

GUIDANCE: In his address to the Joint Session of Congress on October 8, the President discussed the National Employment Assistance Act and stated that legislation will be going forward that day.

Legislation provides that when the National unemployment averages 6.0% for each of three consecutive calendar months, an amount of \$500M will be appropriated. An additional \$750M will be appropriated once that rate reaches 6.5% for each of three consecutive calendar months. If the National unemployment averages 7.0% for each of three consecutive calendar months, an additional \$1 billion will be appropriated. Therefore, the bill calls for a maximum of \$2B,250M, and would provide approximately 370,000 jobs.

<u>Unemployment Rate</u>	<u>Dollar Amount</u>	<u>Jobs</u>
6.0%	\$ 500M	83,000
6.5%	\$ 750M	125,000
7.0%	\$ 1B	166,000
	\$ 2B,250M	374,000 (actual)

JGC

December 4, 1974

DEAN/REDUCE SENTENCE?

Q: There's a wire story that John Dean has asked the Court to reduce his sentence. Has the White House received any such request?

A: I have checked with the Counsel's office here in the White House and they have received none.

Q: Are there any other requests for pardons pending?

A: Again, I asked the Counsel and they have received none. As you know, these requests go through the normal channels at the Justice Department.

*Major Progress  
Can get it done by  
adjournment*

December 5, 1974

SUBJECT:

HOUSE COMMITTEE VOTES \$2 BILLION  
JOBS BILL

The House Education and Labor Committee yesterday approved an emergency \$2 billion public service jobs bill to combat rising unemployment. President Ford has called on Congress to pass such legislation this year.

*House Ways & Means Com reported similar bill.*

What's your reaction to the House Committee's emergency public service bill?

**GUIDANCE:** As you know, the President proposed the National Employment Assistance Act (NEAA) on October 8. It is my understanding that Title I of that proposed act was adopted intact, so we are extremely pleased that unemployment benefits would be extended, etc.

On Title II, we are not completely sure what they are intending here; we feel this is a hopeful sign that Congress and this Committee is moving towards the President's proposal and we are hopeful that they will get this bill down here before they adjourn.

December 11, 1974

SUBJECT:

PUBLIC SERVICE JOBS

Will the President support an expanded Public Service Job program since the unemployment rate has increased faster than expected?

GUIDANCE: The President indicated on October 8 the kind of program he felt was most desirable considering the economic circumstances. He continues to believe the concepts incorporated in his proposal are the right ones.

The President's proposal on jobs would have authorized \$2.250B to be made available in increments as and if unemployment worsened.

The bill before the House today has a \$2 billion authorization, so the dollars provided are not inconsistent with the level that would have been authorized by the President's proposal.

The President feels that it is very important that the Congress take action before it goes home because if it does not, we probably will not have a responsive program before the first of March.

Therefore, in view of the time press, we believe the House should pass its bill which incorporates many of the provisions recommended by the President.

How firm is the President on trigger levels?

We have worked hard with the Committees in the House to try to get them to accept the trigger provisions and have not been successful. However, we believe the House should pass its bill since it does incorporate many of the provisions recommended by the President. In the meantime, it is the Administration's intention to work hard with the Senate Committees in attempt to get them to adopt the trigger provisions, so that the final product out of the Conference will be as close as possible to the President's program.

We feel the trigger provision is a very important element in the concept and hope the Senate will adopt it.

(More)

Is it correct that the President has agreed to an immediate \$1 billion emergency appropriation?

GUIDANCE: I don't believe the President has taken a position on the appropriation level. It is clear that the President wants an authorization before Congress goes home. If the Congress acts quickly enough on the authorization, and it is an acceptable bill, it is likely that the President would request an appropriation from this Session.

What appropriation level would the President approve?

GUIDANCE: It is my understanding that no appropriation level has yet been determined. The important thing now is to get the authorization passed before Congress adjourns.

The House bill provides \$2 billion in Public Service jobs, but \$3 billion in extended unemployment benefits. Will the President go along with the \$3 billion in extended unemployment benefits?

GUIDANCE: The President's program also provides for extended unemployment benefits, and the amount is open-ended depending on the number who have already exhausted their benefits. The President is willing to appropriate whatever is necessary to help these people who exhausted their benefits.

February 7, 1975

SUBJECT:

PUBLIC SERVICE JOBS

Senators Williams and Javits have said that they will introduce legislation to provide nearly \$8 billion for one million public service jobs.

What's the Administration's reaction to the one million public service jobs' proposal?

GUIDANCE: I should point out that last summer the President directed the Department of Labor to accelerate the CETA Program which provided \$1 billion for 170,000 public service jobs.

Then on December 31, the President signed the Emergency Jobs Unemployment Assistance Act of 1974, which authorized \$2.5 billion for approximately 275,000 jobs. Of that \$2.5 billion, almost \$1 billion has been appropriated which will provide 100,000 jobs.

*Q - Ask more money?  
A - Fill jobs not filled.*

It is my understanding that, after talking with the Department of Labor, the initial 170,000 jobs under CETA are 100% filled. However, the 100,000 jobs appropriated in December are only one-third filled. The States are on schedule and filling these jobs as rapidly as possible.

I should also point out that the President has requested that Congress restore to the Public Service Job Program \$125 million that was transferred to the Commerce Department to be used to augment existing Federally funded programs. The President believes that hiring can get under way much more quickly under the Labor Department program.

*Not seen legislation  
\$8B too high.*

*Pres recommended and signed  
increased unemployment benefits  
studied, gave to those who didn't believe.*

JGC



March 13, 1975

SUBJECT:

HOUSE APPROVES \$5.93 BILLION  
EMERGENCY EMPLOYMENT BILL

The House yesterday approved a \$5.93 billion emergency employment bill by a margin of 313-113. It is estimated that this bill will create about 900,000 jobs.

Is it safe to assume from Mr. Lynn's comments that the President is opposed to this bill and will veto this legislation?

GUIDANCE: I should point out that this bill proports to be an emergency employment act, but the only two items in the bill that are directly targeted to urgent needs for employment are the ones for public service jobs and for summer youth employment.

As you recall, on March 5, I put out a statement which said the President had decided to recommend to Congress that they provide supplemental funding totaling \$1.625 billion to continue 310,000 public service jobs through July 1, 1976. In addition, we announced at that time, that the President had decided to seek supplemental funding for specific summer youth programs this year in the amount of \$412 million. This will insure an additional 760,000 summer youth job opportunities on top of the allocations made by state and local sponsors from CETA funds already provided.

Therefore, I think it is proper to say that the President does support a portion of this bill since he's already requested \$2 billion for public service jobs and summer youth employment.

In regard to the comment that this bill would provide 900,000 jobs. I'd like to just point out that one provision of this bill provides for \$114,750,000 for the soil and conservation service to be used for the construction of water shed and flood prevention projects. The House committee asserts that the \$114.7 million would result in 32,000 direct jobs. That figures out to be \$3,585 per job. We can't find any basis for an assertion for these particular numbers or for many of the numbers in the committee report. We find it difficult to believe that jobs can be created for \$3500, especially on construction projects.

(More)

However, there are several other items in the bill which appear to be a conglomeration of various agencies requesting additional funds without regard to the normal budget restraints.

One proposal in the bill, that being \$443 million to purchase automobiles, disregards standards for optimum life and will mean uneconomical operation of cars. In GSA, for example, automobiles normally are replaced after six years, or 60,000 miles. As of July 1, 1974, only 19,000 automobiles were eligible for replacement. This proposal would require replacement of the entire 73,000 vehicle motor pool fleet and the sale of 54,000 servicable vehicles, which would take sales away from both new and used vehicle dealers.

There is also a provision of \$465 million for GSA operation repair and improvement of Federal buildings. The work proposed in this appropriation would be scattered in bits and pieces throughout the country, with no guarantee that areas of high unemployment would be helped. Some of these projects could not even be initiated for 18 to 24 months, providing no immediate employment assistance.

This bill also provides for \$900 million for the postal service. This puts us back in a direct funding relationship with the postal service, which was abolished with the creation of the Postal Service in 1970.

Will the President veto this legislation if it comes to his desk in its present form?

**GUIDANCE:** To my knowledge, the President has not made any final decision on this bill.

We understand there is the possibility that the Senate Appropriations Committee may ask for Administration testimony on this bill. We think this would be desirable so that there can be a full hearing and understanding on precisely what would be the consequences of what the House has passed in terms of real jobs and the real value of doing these things as compared to everything else that is in the Budget.

JGC

April 25, 1975

### Emergency Employment Appropriation

Today the Senate is to act on the Emergency Employment Appropriation reported by the Senate Committee at \$6.1 billion. Of this total, the President requested \$2,043 million including \$413 million summer youth employment and \$1.6 billion for public service employment. *Lyan recommends a veto.*

Additional appropriations included in the bill are unnecessary and undesirable. The unneeded appropriations include the following:

- ° \$440 million for the Federal buildings fund that violates the intent of the act establishing the fund to operate on a businesslike basis. That act requires that all advances to the fund be paid with interest; the present appropriation would not do so. Further, it is doubtful that the GSA could effectively use \$340 million included in the act for repair and alteration. Also, \$100 million included for real property operations almost certainly could not be "turned off" when the employment picture improves.
- ° Over \$580 million for economic development and regional development programs of the Department of Commerce including \$375 million for the job opportunities program. This huge increase in funding could not be used effectively or rapidly.
- ° \$642 million for loan programs of the Farmers Home Administration. These projects often require long lead times to get underway and will therefore not provide immediate employment assistance. Once started such projects are hard to stop.
- ° \$337 million for water construction projects. Acceleration of construction will be difficult to slow down later.
- ° \$385 million for SBA loans that will reduce the capital available in private loans. The small businesses assisted are likely to be less effective in providing permanent employment than would the firms that would otherwise have received financing through private loans.

May 8, 1975

SUBJECT:

PRESIDENT SHOWS COMPASSION

-- The President has asked the Congress to appropriate an additional \$1.6 billion for public service jobs, on top of the \$2.5 billion already in the Budget for fiscal years 1975 and 1976. These Federal funds will enable localities to have over 300,000 people on their payrolls through fiscal year 1976.

-- The President has asked the Congress for \$412 million in supplemental funds this year to provide jobs for young people. These funds will insure an additional 760,000 summer youth job opportunities on top of the allocations already made by States and local governments with their CETA funds. The total summer program is expected to reach about 1.4 million young people.

for legislation

-- The President has asked the Congress to provide through 1976 unemployment insurance benefits of up to 65 weeks to covered workers and up to 39 weeks for workers presently not covered by State unemployment insurance laws. The Congress is holding hearings on this legislation. This legislation is the most equitable method of providing assistance to those who have lost their jobs.

JGC

May 8, 1975

SUBJECT:

PRESIDENT SHOWS COMPASSION

-- The President has asked the Congress to appropriate an additional \$1.6 billion for public service jobs, on top of the \$2.5 billion already in the Budget for fiscal years 1975 and 1976. These Federal funds will enable localities to have over 300,000 people on their payrolls through fiscal year 1976.       

(170,000  
now)

-- The President has asked the Congress for \$412 million in supplemental funds this year to provide jobs for young people. These funds will insure an additional 760,000 summer youth job opportunities on top of the allocations already made by States and local governments with their CETA funds. The total summer program is expected to reach about 1.4 million young people.

for legislation

-- The President has asked the Congress to provide through 1976 unemployment insurance benefits of up to 65 weeks to covered workers and up to 39 weeks for workers presently not covered by State unemployment insurance laws. The Congress is holding hearings on this legislation. This legislation is the most equitable method of providing assistance to those who have lost their jobs.

Plus = Healthy economy  
is best way to provide  
permanent jobs.

MAY 13, 1975

SUBJECT:

CONFEREES PASS \$5.3 BILLION  
EMERGENCY JOBS BILL

A House-Senate Conference yesterday approved a \$5.3 billion appropriation bill designed to create nearly a million new jobs through a variety of public employment and public works projects. \$1.6 billion is earmarked for public service jobs and \$458 million for summer youth employment. The Conferees also agreed on accelerating the purchase of about 21,000 cars for GSA.

Will the President veto the Emergency Employment Appropriations Act passed by the Conferees yesterday?

GUIDANCE: The Conferees just agreed to a compromise bill yesterday, so we have not had a chance yet to review the final Conference report. Once we have a chance to do that, I will be able to give a more complete answer&discuss each provision of the bill.

However, I just want to point out again that on March 5, the President requested supplemental funding totaling \$1.625 billion to continue over 300,000 public service jobs through July 1, 1976. In addition, at that time, the President announced he was seeking supplemental funding for specific summer youth programs this year in the amount of \$412 million. This would insure an additional 760,000 summer youth job opportunities on top of the allocations already made by state and local sponsors from CETA funds already provided.

There were some considerable differences between the House and Senate version of this bill, so I feel I should not make any specific comments on the remainder of the bill until we have a chance to review it in some depth. I would be very happy to give you our reaction at that time. Now it is just impossible to give you any indication what the President will do as far as signing or vetoing the bill until we have a chance to review the final provisions in the bill in greater detail.

JGC

*Lynn recommended veto*

May 21, 1975

SUBJECT:

CONGRESS PASSES EMERGENCY  
EMPLOYMENT APPROPRIATION ACT

Has the President now had a chance to review the Emergency jobs Act, and will he veto it?

GUIDANCE: The President is also very much concerned about the current high rate of unemployment, but we feel that this bill is the wrong approach because it provides additional funds for ineffective and costly programs.

As you know, the President proposed on March 5, two billion dollars for public service jobs and summer youth employment which meets the current problem by providing necessary, immediate, temporary employment. In contrast, this bill contains a conglomeration of increases that are unneeded and expensive and will not be effective in producing immediate employment.

What are some of your objections in this bill?

GUIDANCE: There is a provision of \$440 million for GSA to repair and improve Federal buildings. The work proposed in this appropriation would be scattered in bits and pieces throughout the country with no guarantee that areas of high unemployment would be helped. Some of these projects could not even be initiated for twelve months or longer, thus providing no immediate employment assistance.

There is a provision for \$385 million for Small Business Administration loans. We feel that the Tax Reduction Act, which included reductions in both corporate and personal taxes and increased investment tax credits, provides the financial stimulus needed to help small businesses recover from recent drop in the economy. We feel that the Federal government should not and cannot effectively assume a large role in making individual credit allocation decisions for small business financing.

There is a provision for \$100 million for a payment to the Postal Service. This would shift substantial postal costs from users of the Postal Service to the general taxpayer. We once again inject the legislative branch in the decision making of the Postal Service.

(More)

There is also a provision of \$66 million to purchase 18,000 vehicles for the GSA motor pool fleet. This normally and more efficiently is financed through Agency User Charges.

With unemployment going over 9% in May, can the President politically-speaking, veto this legislation?

GUIDANCE: I cannot predict at this time what the President will do, but I think it is important to understand that this bill would greatly increase the Federal deficit, would expand programs that are costly and ineffective in aiding the unemployed, and would produce spending in the future when it may be no longer needed.



May 21, 1975

SUBJECT:

HOUSE VOTES \$5 BILLION PUBLIC  
WORKS JOB PROGRAM

The House voted yesterday to give state and local governments \$5 billion for job-creating public works projects. Seventy percent of the money would go to areas where the unemployment rate exceeds the national average.

Will the President veto the \$5 billion public works job bill if it reaches his desk in the present form?

GUIDANCE: As you know, the bill must now go to the Senate, so it still has quite a way to go in the legislative process.

If we are to avoid turing our economy into a rollercoaster, alternating between serious inflation and serious recession, or both, we must impose a fiscal descipline on ourselves by curbing our appetites for deficit spending.

There is no room within the \$60 billion deficit limit for \$5 billion more of public works projects, or anything else.

While the people who proposed this legislation may be well intentioned, it is exactly this lack of fiscal responsibility that got us into this situation.

The work proposed in this legislation would be scattered in bits and pieces throughout the country. There is even a provision, as I understand it, that at least 30% of the money could go to areas not experiencing high unemployment.

JGC

THE WHITE HOUSE  
WASHINGTON

file

June 5, 1975

MEMORANDUM TO: RON NESSEN  
FROM: JIM SHUMAN  
SUBJECT: COVERAGE OF "JOBS BILL" VETO OVERRIDE ATTEMPT

Reviewing eight major metropolitan, two national newspapers, and the three major television networks, I feel that coverage on the vote to sustain the President's veto of the "Jobs Bill" was fair.

Papers covered were the New York Times, New York Daily News, the Washington Post, the Philadelphia Inquirer, the Baltimore Sun, the Los Angeles Times, the Boston Globe, The Washington Star, the Wall Street Journal and the Christian Science Monitor.

The three television networks were ABC, NBC, and CBS.

All played the story as a fight between the White House and the Democratic-controlled Congress. As the New York Times noted in a sidebar story, "Congress Once Again Shows it is not Veto-Proof," which all the papers considered a victory for the President.

All were balanced in their coverage of the bill itself, explaining the President's reasons for vetoing it, and the Democrats reasons for supporting it.

A detailed breakdown of papers is attached.

June 5, 1975

MEMORANDUM FOR:           RON NESSEN  
FROM:                   JIM SHUMAN  
SUBJECT:                COVERAGE OF "JOBS BILL" VETO OVERRIDE  
                          ATTEMPT

Page Two

RECOMMENDATION: Although the papers adequately reported the stated reasons for the veto, I think that the White House could have hit harder on the effect the bill would have on the unemployed. Our arguments seemed a bit remote from the gut desire of the man out of work to have a job and income. I would recommend that in the future we push hard on the human angle, to let people know that, well, this administration does have a heart and is compassionate.

The New York Times

Space: Page 1, 11 inches; Page 24, 16 1/2 inches.  
Plus Sidebar: "Congress Once Again Shows It  
Is Not Veto-Proof": page 24,  
22 inches.

The Times led with the vote being "...a stunning defeat for the Democrats and their leadership."

In Paragraph 11, it gave the background of the President's veto, quoting the veto message of May 29: "Mr. Ford said the measure was not 'an effective response to unemployment problems.'"

In Paragraph 12-13, it delineated the amount the bill would authorize to be spent for the areas covered.

In Paragraph 15, it quoted the President, who said the bill would provide "too much stimulus too late."

And in Paragraph 17, it quoted Rep. John Rhodes, who said "it was a bad bill that would not have created new jobs now, and moreover would have had a very serious negative effect on the economy."

June 20, 1975

SUBJECT:

SENATE PASSES \$2.4 BILLION JOBS BILL

The Senate yesterday passed a \$2.4 billion job-creating bill. This includes \$1.6 billion to provide 310,000 public service jobs, \$375 million to fund a job opportunities program and the remainder to fund older Americans, college work study, youth conservation, and rural water and sewer grant projects to create jobs. The bill now goes to a Conference Committee.

Will the President veto the \$2.4 billion jobs program passed by the Senate?

GUIDANCE: There is a provision in the Senate-passed bill which provides for \$375 million for Title X of the Economic Development Administration. This is a public works program, which, though designed to create jobs, requires long lead times and the main effect of this portion of the bill would be to stimulate the economy 12 to 18 months down the road when the stimulant would not longer be quired. Therefore, we strongly urge the Conferees to take out this provision of \$375 million for Title X.

Of the remaining \$2.1 billion, all but \$82 million is covered by requests that the President has made in his fiscal year '76 budget. Therefore, we are assuming that the Congress is simply accelerating the funding for these programs which have already been requested by the President.

JGC

## UNEMPLOYMENT

Q. The unemployment rate in July declined to 8.4 percent. Does this signify the beginning of the improvement which you forecast?

A. There were several encouraging aspects to the July employment statistics.

- (1) Total employment rose by 630,000. Since the March low the number of people at work has risen by 1.2 million.
- (2) Both the length of the workweek in manufacturing and the number of hours of overtime rose sharply, and we are very encouraged by those developments, because they tend to confirm that the recovery is getting underway.

Although the employment situation is improving I believe that the July unemployment decline may overstate the real improvement which has taken place so far. Unfortunately, it would not be surprising if there were a slight increase in unemployment reported in August, before the recovery gains enough strength to begin to reduce joblessness.

August 6, 1975

August 26, 1975

SUBJECT:

TOTAL FEDERAL CIVILIAN EMPLOYMENT  
CUT BY 52,000

In the President's speech yesterday in Chicago, he commented that the total federal civilian employment was cut by 52,000.

What is the total annual civilian employment?

GUIDANCE: The projected June 30, 1975 civilian employment level was 1,968,000. As of June 30, 1975, total civilian employment actually ended up at 1,915,700, a cut of over 52,000 from that projected.

What is the total Federal payroll, including both military, civilian, and post office?

GUIDANCE:	Civilian	1,915,700
	Military	2,100,000 (approximate)
	Post office	<u>560,000</u> (approximate)
	TOTAL	4,575,700

JGC

August 26, 1975  
(Revised 10/17/75)

SUBJECT: TOTAL FEDERAL CIVILIAN  
EMPLOYMENT CUT BY 52,000

In the President's speech on August 25, 1975 in Chicago, he commented that the total federal civilian employment was cut by 52,000.

What is the total annual civilian employment?

GUIDANCE: The projected June 30, 1975, civilian employment level was 1,968,000. As of June 30, 1975, total civilian employment actually ended up at 1,915,700, a cut of over 52,000 from that projected.

What is the total federal payroll, including both military, civilian, post office, etc.?

GUIDANCE: As of June 30, 1975:

Civilian, full time	1,914,352*
Civilian, non-permanent	192,039
Postal Service, permanent	558,311
Postal Service, non-permanent	134,965
Military	2,127,000
Coast Guard	36,788
Legislative, full time	20,069
Legislative, temporary	18,451
Judicial Branch, full time	9,502
Judicial Branch, temporary	897
TOTAL	5,012,374

\*This was the figure cut by 53,748. The President wanted a 40,000 cut.



August 27, 1975

SUBJECT:

CIVIL SERVICE COMMISSION  
PERSONNEL REPORT

For Your Information

Within the next week, the Civil Service Commission will be releasing their monthly Federal-Civilian Manpower Statistics. The first table of the report shows employment for all agencies including the White House Office. This table will show that the White House Office has 617 employees. This would appear to contradict what others have been saying as to the size of the White House Staff.

Of that 617, 528 are fulltime permanent employees, while the remainder are parttimers and intermittents. This report is the July report.

JGC

October 3, 1975

SUBJECT:

SEPTEMBER UNEMPLOYMENT

The Unemployment rate for September stood at 8.3%, down from 8.4% in August.

Any reaction to the Unemployment figures of 8.3% for September?

GUIDANCE: The Unemployment rate for September of 8.3% confirms a favorable trend of July and August. There was an increase of 66,000 in employment for the month.

The employment and man hours figures indicate continued, relatively-strong recovery.

JGC

UNEMPLOYMENT SITUATION

	<u>1975</u>	<u>1974</u>	<u>1973</u>	<u>1972</u>
January	8.2%	5.2%	5.0%	5.9%
February	8.2%	5.2%	5.1%	5.8%
March	8.7%	5.1%	5.0%	5.9%
April	8.9%	5.0%	5.0%	5.8%
May	9.2%	5.2%	4.9%	5.8%
June	8.6%	5.2%	4.8%	5.5%
July	8.4%	5.3%	4.7%	5.6%
August	8.4%	5.4%	4.8%	5.6%
September	8.3%	5.8%	4.8%	5.5%
October		6.0%	4.5%	5.5%
November		6.5%	4.7%	5.2%
December		7.1%	4.9%	5.1%

(Actual months and not months reports were made)

January 14, 1976

RIGHT TO WORK LAW

The President has also opposed the repeal of 14B of the Taft Hartley Act.

The President believes that right to work is a state issue, and the President's position is that he clearly believes that the states should keep that right.

14B authorizes a state to have right to work. (Right to work means right to work without joining a union. In other words, if 14B was repealed this could lead to compulsory unionism.)

JGC

December 10, 1975

SUBJECT:

CONFEREES AGREE ON ANTI-  
RECESSIONARY PUBLIC WORKS BILL

A House-Senate Conference has agreed on a package of anti-recessionary aid to local governments and job-creating public works projects. The measure contains a "countercyclical" formula for sending Federal grants to state, county and city governments in lieu of raising their own taxes.

What's the Administration's reaction to the countercyclical public works bill approved by the Conferees?

**GUIDANCE:** The Administration has consistently opposed public works assistance because history shows this to be an ineffective way to resolve the unemployment problem. Because of the long lead time necessary, most often, the public works projects are not even under way when the problem is most acute, and by the time the projects are going in full force, the recessionary problem is over.

It is my understanding that the bill will soon arrive at the White House and at that time, the President's advisors will review the bill in depth, provision-by-provision, and make their recommendations to the President. Therefore, it would be premature for me to predict what the President may or may not do.

**FYI:** This legislation is called the Albert/Muskie Bill.

JGC

January 9, 1976

SUBJECT:

UNEMPLOYMENT FOR DECEMBER

The Unemployment remained unchanged for December at 8.3%. 7.8 million persons were unemployed. However, the total number of employed persons increased by 240,000 to 77.8 million.

What's your reaction to the December Unemployment figures?

GUIDANCE: The level of employment increased significantly in December, and more importantly, the increase in the level of manhours indicates a significant improvement in production during the month of December.

We believe the economy continues to recover.

In the FY '77 Budget, there will be unemployment projections for 1976, 1977, and 1981, so there will be much more details available on January 21st.

JGC

UNEMPLOYMENT SITUATION

	<u>1975</u>	<u>1974</u>	<u>1973</u>	<u>1972</u>
January	8.2%	5.2%	5.0%	5.9%
February	8.2%	5.2%	5.1%	5.8%
March	8.7%	5.1%	5.0%	5.9%
April	8.9%	5.0%	5.0%	5.8%
May	9.2%	5.2%	4.9%	5.8%
June	8.6%	5.2%	4.8%	5.5%
July	8.4%	5.3%	4.7%	5.6%
August	8.4%	5.4%	4.8%	5.6%
September	8.3%	5.8%	4.8%	5.5%
October	8.6%	6.0%	4.5%	5.5%
November	8.3%	6.5%	4.7%	5.2%
December	8.3%	7.1%	4.9%	5.1%

(Actual months and not months reports were made)

February 11, 1976

SUBJECT:

PUBLIC EMPLOYMENT BILL  
(H.R. 11453)

Yesterday the House passed a public jobs bill that would:

- 1) Extend ongoing programs within Title VI of the Comprehensive Employment Training Act (CETA), increasing the number of public service employees to as many as 600,000 (from the 260,000 now employed under the Act), and
- 2) Create a new quasi-public service jobs program, with projects to be administered by smaller units of government and non-profit organizations, as opposed to traditional public service projects. This provision would provide for as many as 280,000 new Federally-funded jobs. (While the types of projects were not specifically articulated in the House bill, they would be along the lines of construction of bike trails, renovating public housing, etc.)

The cost of both or either provision is difficult to estimate; the Congressional Budget estimates (nearly \$6 billion over the next 20 months) appear to be very low. Our estimates are based on the authorizations implicit in the legislation and show \$1.2 billion for the rest of FY 76, \$1.2 billion for the TQ, and \$4.8 billion (annualized) for FY 77. This adds up to \$7.2 billion, a good deal higher than the Congressional figure.

FYI  
NB: The President, in his budget message, proposed \$1.7 billion for CETA through FY 77, which would keep the program going through December, and then gradually phase it out.

What is the President's reaction to the House-passed bill?

GUIDANCE: The President made his proposal to extend the current program through FY 77 and then phase it out, and he still feels that is the best direction. He is, however, encouraged by the closeness of the House vote yesterday; he feels that perhaps Congress is beginning to adopt his skepticism of massive public service programs.

ME



*did veto*  
Q. Why ~~are~~ you ~~against~~ the jobs bill? It would create 600,000 new jobs at a time of severe unemployment. ~~and it is a very costly bill~~  
Doesn't a veto make you look like you're unconcerned about the unemployed?

A. I vetoed the so-called jobs bill because it is really an anti-jobs bill. What the Congress calls it is one thing. How it would work is something else.

The bill claims it will develop 600,000 jobs in \_\_\_\_\_ months at a cost to the taxpayer of \$ \_\_\_\_\_. Compare that to the employment figures just released, which show that employment increased by 800,000 jobs in just one month, from December 1975 to January 1976, *without this bill.*

That was not a typical increase, and we can't expect more such sudden increases. ~~The main thing~~ *is that* employment is increasing steadily without jobs bills. ~~A jobs bill~~ *that seeks to develop 600,000 jobs* is both *too piddling* and *too* likely to stall the jobs recovery we are making.

*the federal*  
The government is operating at a large deficit. Any big new spending program ~~that this bill~~ will require additional borrowing. When the federal government borrows it makes it harder and more expensive for private firms to borrow the funds they need to expand and develop new jobs. ~~and their~~ *private sector jobs,* jobs, ~~when they are developed,~~ are more lasting and real jobs.

This so-called jobs bill has two big things wrong with it. It aims too low--600,000 jobs in \_\_\_\_\_ months. ~~aiming at~~ *We need more than 2 million* And it will slow down the *new* growth of new jobs in the private sector, where the real jobs and the real *jobs a year.* ~~has to take~~ growth will take place, if we don't interfere ~~with the recovery that is~~ *well under way.*

*Those two reasons are why I vetoed the anti-jobs bill.*

- Q. With 7 or 8 million people out of work, how can you veto the Public Jobs Bill that would put about 10% of these people back to work right away? Even if this makes sense to veto the bill in keeping with your economic policies, isn't your candidacy badly damaged by the perception of you as heartless and lacking in compassion toward the unemployed?

*It is not compassion to raise people's hopes falsely.*

- A. In employment, true compassion is not displayed by following ineffective programs that promise far more than they deliver. True compassion is trying to build an economy strong enough to employ everyone who wants to work. That is the policy of my Administration. And it is succeeding.

*No quid pro, no magic formula.*

During January, my policies created 800,000 jobs by enabling the private sector to create productive, worthwhile jobs, not through pursuing policies of short-term government employment.

*I inflation. Threw people out of work in an year Paul Carrull.*

The so-called Jobs Bill is really a hoax / and an election *1st* *plan*

- The arguments that it would create 600,000 jobs are not supported.

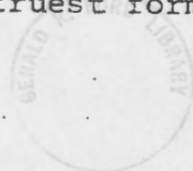
*It would create only*

- ~~And the~~ 120,000 jobs would come in late 1977 or 1978, not now.

- The cost to the taxpayers would be unreasonably high--probably in excess of \$25,000 per year of employment, adding to government deficits and hampering our efforts to let private capital create new jobs.

- Many of the jobs would simply replace jobs funded by other sources, without a real increase in employment.

One of the regrets of my term of office, as I have said before, is that I cannot simply turn on a faucet and create jobs. But it would be unrealistic to claim that I, or anyone else, could. We are trying to do the next best thing: create rewarding, productive jobs in the private sector. And I think that as we continue to achieve that goal -- as we are doing and will keep doing -- people will see that it is the truest form of compassion.



POSSIBLE QUESTIONS FOR RON NESSEN BRIEFING FEBRUARY 17, 1976

1) How about that Post story this morning that says the Attorney General's new rules will prevent any investigation of news leaks such as that the President has offered the Speaker? Is that correct? Did the President know about Levi's rules when he offered the "services and resources of the Executive to the Speaker? Now that the Speaker has refused the offer is there any thought of pursuing an investigation by the White House?

2) The N. Y. Times says this morning, that the President is breaking his own budget ceiling in increasing aid to education requests. Is this true? How can the President urge Congress to hold to his ceiling if he can't?

3) ANY COMMENT ON GEORGE MEANY'S CHARGE THAT THE PRESIDENT LACKS COMPASSION

April 14, 1976

SUBJECT:

SENATE PUBLIC WORKS BILL--  
LATEST REVIVAL

Yesterday the Senate approved legislation authorizing a \$5.3 billion public works bill, not dissimilar to H.R. 5247, the public works bill the President vetoed on February 13. Although the Public Works Committee had approved a much smaller (about \$2.5 billion) bill, Senator Muskie sponsored a \$1.3 billion countercyclical provision which has passed, and they also passed a \$1.4 billion provision for waste treatment plants. Senator Baker said on the floor that the President might sign the committee bill, but would probably veto the bill as finally passed.

Was Senator Baker's assessment of the President's response correct?

GUIDANCE: While the actual cost of this bill is difficult to calculate, it appears to be very close in numbers to H.R. 5247, the public works bill the President vetoed in February.

The President feels that this bill, like the one he vetoed, is not the right approach to the unemployment situation which, under his policy, has shown steady improvement, and I refer you to his veto statement of February 13.

Would he have signed the committee bill?

GUIDANCE: The Committee version of the bill was a far better one, and I believe that the President would have given it serious consideration.

August 11, 1976

SUBJECT:

CETA EXTENSION BILL

Yesterday the Senate passed a bill to extend the CETA Title VI program to subsidize state and local governments that hire the unemployed for public service jobs.

What is the President's position on the passage of the Senate bill?

GUIDANCE: As you know, the President proposed that this program be phased out in FY 77, and he has consistently opposed additional funding of emergency public service jobs other than the amount needed to phase out the current program.

However, I cannot predict what action the President will take until we see what happens in the conference committee, because the House and Senate bills differ a great deal.

ME

Employment - Unemployment

Q. The unemployment rate has risen fairly sharply from 7.3 to 7.8 per cent during the past two months. Is your Administration considering policy changes to deal with this reversal?

A. I am obviously disappointed at the rise in unemployment but it does not indicate a need to change our course. A solid and substantial recovery in the economy is underway. Production, employment and incomes have risen rapidly and we expect these gains to continue in coming months. Since the recession low of March 1975 total employment has risen by 3.8 million and employment rose by 400,000 in the month of July alone to a record high of 87.9 million.

Unemployment has also declined significantly. In the past several months the rise in employment has been offset by an extraordinary increase in the labor force, which, based on past performance, is unlikely to persist for long at recent rates. The labor force has already increased by more through the month of July than most economists, including my advisers, had expected for the entire year. The extraordinary rise in the labor force has prevented the increase in employment from declining.

Several of our economic statistics suggest that the rapid pace of the recovery slowed somewhat in recent months. However, the economy is still moving upward, at a respectable pace, which we expect to quicken later in the year. Economic recovery, rising employment and a slower but more normal expansion in the labor force will continue to reduce unemployment, and probably quite significantly by the end of the year. We still believe it is reasonable to expect the unemployment rate to fall below 7% by the end of year (Note: This would require a sharp showing in the rate of increase in the labor force, a not unreasonable assumption.).

## GUIDANCE FOR PRESS QUESTIONS ON UNEMPLOYMENT FIGURES

Statistics released today show unemployment was down to 7.6% in February (from 7.8% the previous month).

Employment was up to 86.3 million, an increase of 125 thousand, equal to the highest number of people working in the history of the United States. All jobs lost in the recession have now been restored.

You probably want to express gratitude at these figures and say that they provide further evidence that your steady economic policies are working.

You may get a question on whether the Administration's forecast of an average 7.7% unemployment rate for 1976 is too high.

You might want to recall that you have said all along that you hoped the economic recovery and specifically the unemployment figures to be better than the economists had predicted.

Alan Greenspan suggests that you might want to add that if the unemployment trend continues, it's obvious that the Administration's forecast was too high and that the official projections will have to be revised downward. Other inter-related economic statistics will have to be reviewed before making a final judgment.



## UNEMPLOYMENT

Q. The jobless rate today has become a serious problem almost everywhere. In the Manchester, New Hampshire area it is 8.2%.

What can your Administration do to ease this crisis and put individuals back to work?

A. I am gravely concerned about the individuals who are unemployed in our Nation today and am particularly mindful of the persistently high unemployment levels in the New England area.

Easing the unemployment crisis by getting people back to work has been and continues to be a matter of highest priority for my Administration.

There are four main elements to our policy on unemployment:

(1) A program of tax cuts and spending cuts. This will not only help to curb inflation -- and we should recognize that the inflation of 1974 was the chief cause of the recession of 1975 -- but will also leave more money in private hands where it can do the most good in increasing consumption and investment.

(2) A program of tax incentives to encourage the building of new plants and equipment, investment in common stock in American-owned companies, and the like. I might note that one of our tax incentive programs -- accelerated depreciation for the building or expansion of plants in areas of high unemployment -- would have a direct impact in the Manchester area, where unemployment is now over 8 percent, according to my most recent information.

(3) A program of removing the heavy burden of regulations on industry in order not to help any one particular business but to create greater competition, lower prices, and ultimately more jobs.

(4) A program of generous compensation and training for the unemployed -- cushions that will ease their transition back to full employment.

I am sorry that we can't flip a switch and have everyone back at work, but we can and will do the best we can to restore the vitality of our economy so that we will not be plagued with inflation and unemployment in the future.

Q.: Your long-run projections of unemployment look very much better than they did in the January budget. Does this have something to do with it being a year that is divisible by 4?

A.: No. The recovery has been somewhat more vigorous than we expected last January and unemployment has fallen even more rapidly than we would have forecast if we had been right in our forecast of real growth. In other words, we have lowered our long-run projections of the unemployment rate for two reasons. First, we start our projection with a much lower base unemployment rate; and second, reflecting recent experience, where the unemployment rate has been reduced even further than expected for a given growth path, we have slightly lowered the level of unemployment that we expect would be associated with any given level of GNP.

Q.: It is generally believed that the growth of real GNP slowed down drastically in the second quarter. Does your forecast take this into account?

A.: Yes. We shall not have a good estimate of the second quarter growth rate until next week, but we do expect it to be very much lower than the unsustainable rate of 8.7 percent in the first quarter and slightly lower than the growth rate expected for the rest of the year.

As often happens, quarterly growth rates have been quite erratic during this recovery, primarily because of fluctuations in inventory investment. From almost 12 percent in the third quarter of 1975, as massive inventory liquidation ended, we went to about 5 percent in the fourth quarter and then to 8.7 percent in the first quarter of 1976 as inventory accumulation began. This illustrates that not too much emphasis should be placed on the quarterly numbers. It is the long run that counts.

Q.: Your forecast of an average unemployment rate of 7.3 percent for the year implies an average rate for the rest of the year of about 7.1 percent. Do you think that this is realistic given the 7.5 percent rate in June?

A.: Yes. The average over the last half of the year would actually have to be between 7.1 and 7.2 percent. As Alan Greenspan has said on many occasions, we expect the rate to be less than 7.0 percent by the end of the year.

Q.: What rate do you expect in July or during the rest of the summer?

A.: On a month-to-month basis, it is very difficult to adjust appropriately for seasonal factors and sampling errors crop up from time to time. This makes it dangerous to predict any single month's rate since the measured rate can be somewhat erratic. However, we expect actual unemployment to fall gradually over the latter half of the year and over the longer run the measured rate will reflect this trend.